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The 7th Global Payroll Management Conference

A World-Class Learning Experience

By Kathleen Sturgeon

The earth didn't move at the 7th Global Payroll Management Conference held August 24-27—fortunately, since the event took place in San Francisco, CA. What did shift for the nearly 200 attendees, however, was their perception of technology, its profound impact on payroll and human resources, and most importantly, what to expect as workers in an ever-changing global landscape. Over a four-day period, representatives from the United States, Canada, Australia, the United Kingdom, the Marshall Islands, El Salvador, Switzerland, and China explored more than 35 workshops, general sessions, networking opportunities, and the International Exhibit Hall, seeking world-class answers to universal business concerns.

1. Scott Klososky's presentation intrigues audience members.
2. Conference goers chuckle at the humorous Eileen McDargh, CSP, CPAE (sponsored by ADP National Account Services).
3. Chairman Patricia J. Kelly, PM of The Canadian Payroll Association greets attendees.
4. Pamela Averso, CPP gets the 411 at a workshop session.
5. Paycards are the topic du jour for this participant.

Day One: The Payroll World on Exhibit

Pre-conference unfurled with all-day workshops including "A Primer on Paying in the U.S.," "A Primer on Paying in Canada," "Global Payroll Fundamentals—U.S. Requirements," and "Global Compensation" (see related story on page 21). Later, pencils were exchanged for hors d'oeuvres during the International Exhibit Hall Grand Opening. Vendors such as ADP National Accounts, The Canadian Payroll Association, DPSI Payroll, the Internal Revenue Service, Workbrain, Inc., and others gave away literature and promotional items while displaying the latest technology and services. For a list of conference vendors, visit www.americanpayroll.org/global7/global.html and select "Exhibit Hall."

Day Two: Welcome to the Future

Since the conference is truly a "global" undertaking, representatives from all four host associations welcomed attendees during the Opening General Session. They included: Executive Director Dan Maddux of the American Payroll Association; Chairman Patricia J. Kelly, PM of The Canadian Payroll Association; Director Jill Owen of the

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1. Professionals network during the Closing General Session.
2. Training Specialist Lisbeth K. Green, CPP gets excited about paycards.
3. Bob Hartley of Applied Materials delves into global compensation.
4. A workshop attendee provides feedback.
5. An ADP representative introduces speaker Eileen McDargh, CSP, CPAE.
6. Hearty laughter erupts at the Tuesday Luncheon.
7. A Cirque du Soleil employee signs in at registration.
8. The Social Security Administration booth gets happy on opening night.
9. Grinning is universal during the "Connecting the Human Web" presentation (sponsored by ADP).

Global Compensation Workshop

How do you handle compensation and benefits for employees scattered around the world? At an all-day, pre-conference workshop held August 24, Vice President Bob Hartley of Applied Materials answered this common question. Attendees learned about globalization, combining corporate culture with local traditions, maintaining compliance, and what constitutes fair remuneration.

Globalization. Hartley defined this as, "Providing the highest quality products or services, globally sourced and delivered to the most profitable world market, at the lowest cost under constantly changing market or competitive conditions." Reasons for globalizing include trailblazing, competitive survival, technology, cost spreading, and the search for innovation.

Cultural differences. Culture may encompass "a group's identity, beliefs, values, activities, rules, customs, communication patterns, and institutions," said Hartley. Managers must consider how ethnically diverse employees regard time, gender roles, individualism versus collectivism, career goals, and work motivation. Hartley said he

tells overseas staff, "I will never ask you to do something simply because we do it in the U.S. or at corporate headquarters." Allowances must be made to reflect the region.

Compliance. In foreign countries, knowing the difference between a definite no-no and a gray area can be difficult, said Hartley. Therefore, he recommends asking local employees and consultants for advice, researching laws, considering tax effects, and understanding that each country is unique. Make sure to use common sense, avoid assumptions, and don't judge.

Fair remuneration. At first glance, it might appear unfair that third-world employees earn much less than American workers. However, Hartley said other issues must be considered before instantly applying headquarters standards abroad. For instance, overcompensating local employees might affect the regional balance; turnover rate (ineffective workers may never leave, or effective ones may retire early); local relationships; and even legislation, as some governments start mandating benefits when a company has them in place for several years.



1. International payroll ambassadors are (L to R): Maureen Martin of The Association for Payroll Specialists; Patricia J. Kelly, PM of The Canadian Payroll Association; Jill Owen of the Institute of Payroll and Pensions Management; and Dan Maddux of the APA.
2. Roseanna Neil, CPP listens with an open mind at Tuesday's Luncheon.
3. Speaker Scott Klososky enlightens the audience about "The Future of Technology."
4. Eileen McDargh, CSP, CPAE autographs her books.
5. E-pay is on display at the International Exhibit Hall.
6. Ian J. Mise hears about the latest technology.
7. Closing speaker Jim Carroll, FCA covers "Coping With Ketchup."
8. APA's Tammy Trascher, CPP distributes exhibit hall gifts.

Paycards for International Assignees Workshop

If you've been dealt a hand of paycards, heed advice from Training Specialist Lisbeth K. Green, CPP of L.K. Green & Associates. During workshops held on August 25 and 26, she covered key areas such as how paycards work, benefits, enrolling employees, compliance, and applications for international assignments.

■ **How paycards work.** Paycards are plastic, reusable, and work like credit or debit cards, said Green. Employers must decide between branded cards (with MasterCard® or Visa® logos) or non-branded (debit) cards. As with direct deposit, funds can be accessed on payday. A bonus is employees do not need bank accounts.

■ **Benefits.** Green said according to NACHA—The Electronic Payments Association, employers can save approximately \$1.50 per payment. Additional benefits include reduced check fraud, enhanced efficiency, and disaster preparedness. Workers benefit from no check cashing fees, greater independence, loss protection, improved money management, safety, and convenience.

■ **Enrolling employees.** "Have a good marketing plan

that involves videos and guides in different languages," said Green. "The more you advertise, the more successful you'll be." She recommends introducing paycards to new hires and launching enrollment campaigns. Workers will need to provide basic information, similar to direct deposit enrollment.

■ **Compliance.** Green pointed out that "paycards are subject to the same regulations as direct deposit." Consider cardholder terms and conditions, wage and hour laws, and privacy and escheatment regulations. Electronic pay statements are permitted in all states except Delaware.

■ **International assignments.** Paycards are accepted in many countries, work in automated teller machines, streamline bill payments, and reduce costly wire transfers and mailings, said Green. Paycard purchases can also be automatically fed into travel and entertainment expense software, making reconciliation easier. For family members back home, employees can have partial funds routed to an account.

Institute of Payroll and Pensions Management, and Maureen Martin of The Association for Payroll Specialists.

Special guest speaker Scott Klososky followed, predicting "The Future of Technology." Klososky, the Chief Executive Officer and President of Critical Technologies, has more than a decade of high-tech experience. His presentation covered trends, security issues, and how payroll and human resource professionals can best position themselves for the future.

Trends. "Lately, there's an idea of one degree of separation," said Klososky. "This means being 'bolted' to other programs through Web-based interfaces." He predicts we'll see a surge in application service providers (software renting), with popular programs such as Microsoft Office hosted off-site. As a result, we'll need less computer memory, devices will shrink, and viruses can be avoided. Regarding employee self-service (ESS), Klososky said, "I don't agree with futurists who say payroll will go away because of ESS. There's still a lot of data that needs to be monitored." ESS can be improved by feeding employees personalized, up-to-date information about their benefit selections, he said. Other trends include biometric security tools, Radio Frequency Identification tags to track employees, portable benefits, and in-house corporate accounting, since online banking will eliminate the need for a financial institution.

Security issues. Klososky warned the audience that a user name and password aren't adequate protection against hackers, script kiddies, phreakers, or crackers—terms for users who attempt to penetrate or corrupt systems. By simply downloading Brutus, a password cracker program, they might view payroll and human resources data. Other security problems include system holes open to viruses and worms; social engineering, where a caller poses as an information technology worker and asks for passwords; "derfing," which is neglecting to lock a computer system; and keyboard loggers, hidden software programs often attached to e-cards that log victims' typing. For extra protection, Klososky recommends combining a user name and password with voice authorization or a fingerprint computer mouse.

Preparing for the future. Although technology can be both fascinating and frightening, Klososky said it should be embraced rather than avoided. "Study new technology, understand trends and accept them, and get involved with the security policies and disaster planning in your organization. Think of technology as a tool, and use it to lower costs, improve employee satisfaction, and create better visibility of data."

After the Opening General Session, conference participants attended various workshops on technology, global payroll, and payroll management issues; a networking luncheon; and a cocktail reception and gift distribution in the International Exhibit Hall.

Day Three: Man Versus Machine

Fresh from attending morning workshops, conference goers further increased their momentum with a lunchtime presentation by Eileen McDargh, CSP, CPAE, called "Connecting the Human Web: The New Business Imperative" (sponsored by ADP National Account Services). The energetic speaker/consultant put a human face on technology issues, examining how leaders can effectively introduce change to employees and cus-

tomers. "As much as we like technology, let us not forget that ultimately people yearn for a human connection," she said.

McDargh recommended staying in the present, creating strategic alliances, making inquiries, "listening until your ears squint," revealing what you know, telling the truth, having a "viewing point" rather than a viewpoint, and using humor to make connections.

Afternoon conference workshops covered such diverse topics as "Establishing a Payroll in a Foreign Country," "Benefits Around the World," and "Tax Equalization Practices."

Day Four: 'Coping With Ketchup'

Before jetting back home, conference participants attended the final event—the Closing General Session. Director Jill Owen of the Institute of Payroll and Pensions Management thanked the audience and shared what she'd learned at the conference: "What I'm taking away is that technology is a tool that will help us do our jobs easier and more efficiently, but at the end of the day, it's the people we pay that matter most." She then introduced special guest speaker Jim Carroll, FCA, who addressed "Thriving in the Information Age: Embracing Change in the New World of Payroll."

Carroll, an independent consultant who has authored more than 34 books, informally called his presentation "Coping With Ketchup." He used the new upside-down ketchup bottle as an example of how we deal with innovation, admitting that while his children easily grasp this concept, he repeatedly wants to flip the bottle over. "How do you deal with change occurring in your industry?" he said. "A lot of people are having a real tough time."

This "era of panic" is marked with job cuts, less risk-taking, uncertainty, and last-minute decisions, said Carroll. Trends such as outsourcing, nomadic workers, self-service, and offshoring aren't limited to payroll and human resources—they are affecting every sector. In addition, rapid technology means employees must constantly upgrade their knowledge and skills. "We are the last generation in the history of mankind to have not grown up with computers since birth," said Carroll. "All of the knowledge [the world has] today is but 1% of what we will have in 2050."

After delivering these sober facts, Carroll provided the audience with proactive steps for dealing with change. "Stop fighting it," he said. "Your challenge is to increase the value you provide to your organization." His recommendations include: anticipate change, step outside your comfort zone, get the strategy, provide strategic value, take control of your destiny, take initiative, take risks and make a reasonable number of mistakes, restore your courage, make do with limited resources, and reaffirm belief in yourself.

The Universe Awaits You

Connect with international colleagues, diversify your knowledge, and prepare for universal changes at the 8th Global Payroll Management Conference to be held May 26-28, 2004 at Down Hall in Hertfordshire, England. The Institute of Payroll and Pensions Management will host the event; for more information, visit www.ippm.org.

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